FOR MYSORE STATE

Development (195 o) Department.

M.S. SERIES.

G.O. No. 5228

Dated 26-12-1950

[Despatch Abstract.]

Cooperative Societies- Building Societies- State loans- Rule 8 of the rules for the grant of State Loans- Amended.

Government of Madras
Abstract.
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Cooperative Societies- Building Societies - State Loans- Rule 8 of the rules for the grant of state loans-Amended.

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Development Department

G.O.Ms.No.5288 Dated 26th December 1950
Read the following:-

Read again:- G.O.Ms.No.1297 Dev., dated 18-9-1935.
Read also:- From the R.C.S., Rc.89521/50-ZI, dated 26-8-50
From the R.C.S., Rc.89521/50-ZI, dated 5-11-50

Order:

The Government accept the proposal of the R.C.S. to amend rule 8 of the rules for the grant of state loans to Cooperative Building Societies and direct that the following shall be substituted for rule 8 namely:-

"8.A Society which has taken a loan from the Government shall repay the amount together with the interest due thereon either by equated annual instalments, or at its option in annual instalments together with interest due on the amount outstanding from time to time. After exercising its option a society shall not ordinarily be allowed to change its method of repayment. Nothing shall prevent or debar a society from repaying at any time a larger sum than the annual insalment or from discharging the whole loan in a single payment.

Whichever method of repayment is adopted, repayments other than the payment made on the due date of the prescribed annual instalment may be classed as follows:-

(1) Payment on the due date of a sum in excess of the amount due:- Such excess payments should at once be credited in reduction of principal. In the case of housing societies formed on the individual ownership system, no postponement of any future instalment will be allowed on this account nor will the amount of subsequent instalments be reduced. In the case of housing societies formed on the copartnership tenancy system reduction of the amount of subsequent instalments by refixation of instalments on this account will be alloed at the option of the society.

(II) Payment before the due date:- Any sum paid before the due date shall first be credited towards the interst which has accrued upto the date of payment and the balance, if any, shall be credited towards principles, the society being required to pay on the due date the balance of interest due for the year and also the balance of principal, if any, due for the year. If the amount paid before the due date is in excess of the annual payment, the number of future instalments should be correspondingly reduced. In the case of housing societies formed on the individual ownership system, no postponement of such instalments will be allowed nor will the amount of subsequent instalments be reduced. In the case of housing societies formed on the co-partnership tenancy system, the reduction of the amount of subsequent instalments by refixation of the instalments will on this account be alloed at the option of the society.

"When a society is in default in either in respect of an instal-

ment of principal or in respect of interest any sum paid shall be appropriated in the following order:-

(1) Penalty levied under rule 4 of the rules

(2) Interest.

(3) Principal.

(By Order of His Excellency the Governor)

R. Kotiswara Rao
~~P.S.Viswanatha Ayyar,~~
Dy Secretary to Government.

To the Registrar of Cooperative Societies.
To the Accountant General. thro' Finance.

/True Copy/

SUPERINTENDENT.

Typed by R.R.Chandran.

Examined by [illegible]
Read by [illegible]
10.XI.53